



# TRANSCRIPT

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of

**Ohio Farm Bill Forum with Agriculture Secretary Mike Johanns and  
Moderator Andy Vance with WRFD Radio Farm Science Review  
London, Ohio - September 20, 2005**

MODERATOR ANDY VANCE: [In progress] -- Secretary of Agriculture, Mike Johanns and his team at USDA have been conducting a national tour of Farm Bill forums. This marks about number 22 or 23 on the list. Number 15 for Secretary Johanns.

And these forums, as I've been watching the stories come back in from the field and hearing some of my colleagues in the radio business comment on what they have heard from the field, it's been very interesting to find out what the Farm Bill means to so many different facets of our industry. We know our own portion of the industry very well if we're involved in grain, livestock. We know exactly what the Farm Bill means to our segment of the business. But the Farm Bill is a very, very large document that encompasses so much of the food, fiber, and natural resource industry. That's why it's been absolutely critical that the Secretary find out from all different portions of the industry what that Farm Bill means as we go into the 2007 version of the Bill.

Of course the 2002 Farm Bill was written many years ago. Now it seems like in agriculture so much has happened and changed in our industry. And as we get ready for the 2007 crop year in that next Farm Bill it's up to each of us to make sure that USDA and, more importantly, our members of Congress know what it is we need in the next piece of farm legislation.

The Secretary has undertaken this national listening tour to find out exactly what's on your minds and on your hearts in production agriculture. And we just thank the Secretary for joining us here at the Farm Science Review and for Dr. Moser and Chuck Gamble and the team of Farm Science Review here for hosting such a wonderful event.

Right now we welcome the color guard. Today our colors are being carried by the color guard of the 121st Air Refueling Wing of that Ohio Air National Guard.

Please stand with me for the presentation of the colors.

[Presentation of the colors.]

MODERATOR: And now the National Anthem presented by Julie Watson, Ohio FFA Association state president and Tim Hornsby a 4-H member from Delaware County.

[Singing of the National Anthem.]

MODERATOR: Thank you. And now our National Anthem will be sung by Molly McIntyre.

[Singing of the National Anthem.]

[Applause.]

[Pause.]

MODERATOR: Thank you. You may be seated.

Before we get into the format of this afternoon's forum, I want to introduce Secretary of Agriculture, Mike Johanns for some comments. The Secretary has been conducting this tour and has been leading the charge here as we prepare for the Farm Bill Forum. Secretary, I imagine you've heard quite a bit of emotional outpouring from folks in the industry, agriculture being such a visceral business for our nation in farm and food policy. Welcome to Ohio and give us some opening comments here as we kick off this afternoon's event.

SECRETARY JOHANNNS: Thank you very much. It's great to be in Ohio and thank you everyone for your warm welcome. Maybe especially warm, huh?

[Laughter.]

SECRETARY JOHANNNS: It is great to be here. These Farm Bill forums have been quite a hit all across the country. We have turned out great crowds like we have today. We spend three hours, and as you can see from the way we will do this forum, this is really your opportunity. I figured out right from the very first forum that the more I talked, the less opportunity you have to talk. And so the whole goal here today is for me to say a few words and get things started. But then what you are going to see from me is I'm just going to sit back take notes and listen to what you have to say. I'll make some notes of comments that you've made, and hopefully at the end of the forum we will have five, ten minutes and I'll do a wrap-up kind of the topics identified by what you have brought up. But, again, the whole idea here is to build a forum that says to you, step up to the microphone and offer your thoughts.

This Farm Bill lasts through 2007, the crop year of 2007. We will wrap up these forums pretty much by the end of the year. The House and the Senate will probably do some hearings, I think, across the country, next year and we'll be working with the legislative process to put a Farm Bill in place so ideally it is passed typically should be passed in that last year of the Farm Bill. So the first part of 2007 is kind of what we're thinking about at this point.

The administration does intend to be very significantly involved in that debate. I've been asked, do you think you will submit your own piece of legislation? That is possible. We have not made a final decision on that, but that is one possibility.

So, ladies and gentlemen, again, let me reiterate today, today is your forum. It is really an opportunity for you to get to the microphone and offer your thoughts about what's working relative to farm policy, what you would like to see differently. And I'm just going to be here all ears anxious to hear your input.

Let me, if I might, wrap up by saying thank you to Andy Vance from WRFD Radio. We appreciate you being the moderator. He's the guy that's going to have to tell you when two minutes are up, and two minutes goes pretty fast. So, Andy will be the time enforcer too.

MODERATOR: I do very little when I'm on the air in two minutes, Secretary Johanns.

[Laughter.]

SECRETARY JOHANNNS: I do also want to acknowledge, you all know Fred Dailey, the Ohio director of agriculture. Fred, it's so good to see you. How about a round of applause for Fred?

[Applause.]

SECRETARY JOHANNNS: And to those, the color guard, the folks who led us in the Pledge of Allegiance, the young lady who sang the National Anthem, they just all did a great job and I appreciate it.

You will see today, I should mention one last thing, we start every Farm Bill Forum with a young person from FFA and a young person from 4-H to talk about the future of agriculture. Because we should be building policy that allows for young people to get involved in agriculture.

When I was growing up on that dairy farm in northern Iowa, I was a member of both, of 4-H first and then FFA. And so I have a tremendous amount of fondness for both organizations. So we will start the forum with those folks and let them offer their thoughts.

So I think with that, that's what I've got to say and I'll turn it back to the moderator and offer an opportunity for him to say a few words about the forum and where we're going from here and whatever else. So, ready?

MODERATOR: Very good. Thank you, Secretary Johannns. We will look forward to hearing your thoughts throughout the afternoon as it becomes applicable.

The way this afternoon's forum works is all about hearing what's on your mind and on your hearts about this piece of legislation known as the Farm Bill. You will see we have two microphones stationed on either side of the house. If, Tim, you will raise your hand there at that microphone, Julie over on the other side. They're going to be starting the forum off in just a moment.

The way this will work is everyone is welcome to come to the microphone. We invite you to come up and offer comments. Everything that is said here today will be transcribed and entered into the comments that the U.S. Department of Agriculture and Secretary Johannns will evaluate and take into consideration as they decide how to proceed with whether or not to make a recommendation to Congress on this Farm Bill.

Also, if you would like to enter comments and you're not comfortable coming to the microphone, I see a comment box straight in front of me there and there may be others around the room. But right in the center table here is a comment box. Everything that is entered into that comment box will go into the written record as well.

You may also submit your comments on line. The web site [USDA.gov](http://USDA.gov) and you click on the Farm Bill forum section. You can also enter comments there electronically. You can also submit written comments through the U.S. mail, although obviously in this day of high technology, when we can do our LDPs on line and everything else, it's far preferable to do things the electronic way. So feel free to do that as well.

You will see to my left, your right, a series of lights. Those lights will indicate the time. We ask that you respond to the questions in the pamphlets. You can see the pamphlets laying around the tables. There should be some on the table in front of you. There are six questions outlined there and we will kind of go over those briefly.

The Secretary wants to find out your opinion on the following subjects:

Number one, how should farm policy affect next generation of agriculture? How should it address what we call “unintended consequences”? There are some folks who indicate one of those might be, for example, how farm program has affected the price of land. That may be an unintended consequences that the Farm Bill should address.

Number two, how farm policy might maximize our competition in the global marketplace?

Thirdly, how farm policy should effectively and fairly distribute assistance to producers from one end of the spectrum to the other?

Fourth, how can farm policy can achieve conservation goals?

Number five is, how can federal rural programs can impact your rural communities?

And finally, how agricultural product development, marketing and assistance should be addressed in the next Farm Bill?

We use the colored light systems, there you are, sir. We use the colored light system to let you know where we are in the process of your two minutes. Once you step to the microphone you will have two minutes to address one of those six questions. When you see the green light, that indicates that you have 30 seconds left of your two minutes. When you see the green light you will have 30 seconds left. When you see the yellow light you have 15 seconds left, and when you see the red light, that means your two minutes have expired and we would ask you to wrap up your thoughts so that we can get as many comments today as humanly possible.

You will notice that we have a packed house this afternoon and I expect it to stay that way throughout the forum. We will take a break at about the halfway period and then we'll come back and hear some more.

Secretary Johanns.

SECRETARY JOHANNIS: When you see my boss, don't tell him I overlooked this, but I brought greetings from a great friend of yours. So let's run those greetings.

PRESIDENT GEORGE BUSH [Taped]: Thanks for letting me speak to you at this Farm Bill Forum. America's farm and ranch families provide a safe and abundant food supply for our people and for much of the world. You represent the best values of America, stewardship of the land, hard work and independence, faith, service, and community.

Mike Johanns understands the importance of America's farmers to our country, which is why I chose him to lead our Department of Agriculture. I am proud of his work and he will lead our efforts on the next Farm Bill. Secretary Johanns and I believe the first step in this process is to ask each of you how today's Farm Bill is working and how it can be better. As we look to improve America's farm policy, we will continue to focus on the following goals:

See, America has about 5 percent of the world's population which means 95 percent of your potential customers are over seas. So one of our goals must be to ensure that America's farmers and ranchers have access to open, global markets.

A second goal is that we want future generations to have plenty of opportunities to go into agriculture.

Thirdly we need cooperative conservation that encourages good stewardship of our land and natural habitats.

We also need to act wisely in delivering help to our nation's producers. And we must promote cutting edge, agricultural products and research.

And, finally, we must ensure a good quality of life in rural America.

The Farm Bill is important legislation that meets real needs. The next Farm Bill should further strengthen the farm economy and preserve this way of life for farmers and ranchers of the future.

Hearing your advice is an important step toward meeting these goals. I thank you for all you do for our country. And thank you for listening.

MODERATOR: Also, I would be remiss if I didn't introduce a very good friend of ours, the Executive Dean of the College of Food, Agriculture, and Environmental Science and Vice President of Agriculture Administration of the Ohio State University, Dr. Bobby Moser.

[Applause.]

DR. BOBBY MOSER: Andy, thank you very much. And, Mr. Secretary, I just want to say we are very pleased that you have chosen to come to Ohio and be a part and have a listening session here and a forum here at the Farm Science Review. I am very pleased with the turnout that we've got here. A lot of people here wanting to know and hear and discuss the Farm Bill.

Let me just make one comment on behalf of the Land Grant system who has had a partnership with USDA for over 100 years. And the need for continuing the balanced research portfolio of extension and research and extension where we've got the base formula funds as well as the competitive grant funds. We think that's very important and that has been very successful over the years. When we're talking about developing new energy sources or functional foods that prevent certain types of diseases or that treat certain types of diseases, whether it's making young people -- developing young people to be responsible adults, or working in small communities for rural development areas we work very closely with USDA in those types of programs and we would like to keep those strong.

A new proposal, Mr. Secretary, that task force that was put together and they have recommended a new program for the future funding of Ag research called NIFA, the National Institute of Food and Agriculture. It's a merit-based competitive grants program very similar to that of the NIH and NSF. And we think that's a very positive program. If we could get that one implemented, that would be great.

What we want to do with our system, the Land Grant system is supportive of this, because what we want to do is to help agriculture, American agriculture, maintain its competitive advantage in the world market today.

Mr. Secretary, thank you for being here.

SECRETARY JOHANNIS: Thank you.

MODERATOR: And thank you, Dr. Moser, for hosting this very important Farm Bill listening session here at the Farm Science Review, as well.

With that I think it's time for the first comments. Again, two microphones for you. You can start getting in line to the microphone and we will begin addressing the first question, our state FFA president, Julie Watson, and 4-H member, Tim Hornsby.

MS. JULIE WATSON: All right. Thank you, Mr. Secretary, Dr. Moser, and Mr. Vance. First off, I would like to start off by saying that I grew up on a family farm. That's what my dad does full time is farm 350 acres. So I know first-hand from experience that it can be a difficult life. But not just for me, but to talk about a first generation farmer that wants to go out there and start his own farm, probably the biggest challenge that he faces today is getting the money initially to start that farm. Because a lot of banks won't provide that.

So I guess the biggest thing is to be able to have a farm program that will afford farmers the opportunity to loan that money, to get a hold of that money to start that farm, pay it back over a series of years with low interest rates and a high loan-to-value ratio. And that's not just for first-generation farmers. Because, for instance, in my family I'm one of three children. And while the farm will be passed down to my brother, if it were divided by my parents into three sections between the three of us children and my brother being the only one who has a desire to go into production agriculture, he wouldn't have the money at the time starting out in his 20s or early 30s to purchase the other two portions of the farm from my sister and I. So it's extremely difficult, you know, with the cost of land, the cost of machinery and equipment and to get started buying animals and seed for anyone to get that involved in the industry right from the very beginning.

So with that, I guess the biggest thing, again, is to have some sort of loan program to help farmers start from the very beginning. And now, like I said, I won't be going directly into production agriculture, though my brother hopes to, but I'm hoping to one day maybe do the second best thing and that might be to be the U.S. Secretary of Agriculture. So, Mr. Johanns, with that if I can't be out there tilling the soil, but my brother hopes to, maybe I could one day serve in agriculture in a different way.

Thank you very much for allowing the FFA to be here today and I wish everyone the best of luck with this preliminary Farm Bill Forum.

[Applause.]

MODERATOR: Thanks, Julie.

Tim, your comments from a 4-H member's perspective.

MR. TIM HORNSBY: Hello. My name is Tim Hornsby and I am from Waldo, Ohio, up in Marion County. I have been a 4-H member for nine years. I'm very active in 4-H and have recently been awarded the National 4-H Youth Directions Council which I'll be going out in Washington, D.C. to get some training, so maybe I'll see you around.

[Laughter.]

MR. HORNSBY: It's an honor to be here today representing the nearly 3,000 4-H members from across Ohio, as you receive comments regarding the Farm Bill.

As many of you know, the roots of 4-H had begun at the turn of the century when a progressive educator named A. B. Graham from right here in Ohio engaged young people in a learn-by-doing aspect of learning and building better agriculture education.

Most states organize 4-H clubs outside of school time with parents serving as volunteers, leaders, county extension educators providing resources, materials, and leadership. Today 35



percent of youth reached by 4-H are from rural areas and small towns. The Cooperative Extension Service of the USDA as established by Congress in 1914, works with partnership with the Ohio State University which is the Ohio Land Grant University. State Land Grant University and Cooperative Extension Services of the USDA supported the development of 4-H.

Here in Ohio 4-H youth development, the Ohio State University Extension and the College of Food and Agriculture Environmental Sciences are helping young people to become more mature, competent adults capable of participating and of being leaders in their community.

USDA's support of the Farm Bill enhances this effort through programs such as the Rural Youth Development. Four-year Rural Youth Development grants have allowed 4-H to successfully address the economic and physical barriers that rural youth and their families face.

And I would thank you again for letting us come and suggest that you look at the prices of land as a way and helping people get into specialty crops as a way to maybe strengthen this bill. Thank you.

MODERATOR: Thank you, Tim.

[Applause.]

MODERATOR: Again, as you come to the microphones make sure that for the record you state your name and your hometown, your involvement in agriculture. The green light will run until you hit the, I believe it's the 60-second mark when it will switch to the yellow. The 30-second mark it will switch to yellow. And when you see the flashing red light, that means your two minutes have expired.

We will start off here on the western mike.

MS. DEANNE DICK: Mr. Secretary, thank you for the opportunity to speak before you today. My name is Deanne Dick, and I'm originally from Prairie Home, Missouri, but I am now based out of Cincinnati, Ohio and I am part of the AFA Alliance and I am currently employed with Hormel Foods.

Mr. Secretary and the members of the committee, as the face of rural agriculture and production agriculture continue to change, the bonds between the two shall remain strong. Agriculture has and will continue to support rural America.

I believe the 2007 Farm Bill should continue to examine how to strengthen that bond. Being a young professional from rural America in agriculture, I have had numerous opportunities to see first-hand the role that education and youth development play in our local communities. I have had the opportunity to be part of an organization called "Agriculture Future of America," AFA. AFA identifies, encourages, and supports college age youth preparing for careers in agriculture and the food industry.

Since 1997, AFA has, with the support from hundreds of sponsoring partners, invested in more than 3,500 college students' preparation and has awarded more than 900 college scholarships totaling \$2.9 million. These scholarships have been funded by hundreds of individuals and rural businesses.

In 2002, Farm Bill Section 7412 provides for youth grants administered by CSREES for national 4-H, national FSA, Girl Scouts of the United States of America and Boy Scouts of America.

Agriculture Future of America seeks your support to participate in this grant program. We strongly encourage the Department and the Congress to include Agriculture Future of America as a grant recipient within Section 7412 of the 2000 [sic] Farm Bill.

I just wanted to kind of tell you my personal experience with AFA. I had to get all that, you know, out of that way. But I was a scholarship recipient my senior year of high school. I participated in three AFA conferences that kind of, you know, sharpens your skills and knowledge of the agriculture industry. I grew up on a small, family farm. My brother is currently running my family farm. My mom works for USDA, FSA. And so that's how I began my career with agriculture. But after the three conferences, it's just a great opportunity. I believe it's what helped me get my career today with Hormel Foods and I hope you consider AFA in your next Farm Bill.

MODERATOR: Thank you.

Next comment from the eastern mike.

MS. LISA HEMLER FUGATE [sp]: Good afternoon, Mr. Secretary, and thank you for holding this listening session and welcome to Ohio and Ohio's premier Farm Science Review. My name is Lisa Hemler Fugate [sp] and I serve as the executive director of the Ohio Association of Second Harvest Food Banks. Which represents 12 food banks and 3,000-member charities, food pantries, Soup kitchens, and homeless shelters across the state of Ohio. Unfortunately, these are difficult times for not only the folks we serve, but Ohio farmers and growers.

I'm here to talk to you a little bit about what we would like to see in the Farm Bill as far as food stamp benefits and strengthening this critical lifeline for more than one million Ohioans who participate. Food Pantry recipients, about 62 percent of them, currently participate in the food stamp program, although all appear to be categorically eligible. While benefits used to get them through about two and a half weeks of each month, we are seeing them return now after two weeks.

These, again, are uncertain times, Mr. Secretary, and you and your staff at USDA are to be commended for your prompt response in responding to the disaster along the Gulf. Certainly your rapid response for the issuing of disaster declaration that permitted persons affected by Katrina to receive food stamps, national school lunch, school breakfast, TFAB, and WIC are to be commended, sir.

Mr. Secretary, I am here representing organizations that are concerned about the projected three billion in federal cuts and the structural threats of the food stamp program pending in the reconciliation bill before Congress. I urge you to communicate to the President immediately to stop these cuts.

In addition, food stamps are important to our local communities bringing over a billion dollars into the state. Food stamps help keep businesses in areas that would not otherwise be there. Food stamps help ensure private charitable resources are focused on emergency and we can help address the long-term food security needs. I ask you to index food stamp benefits to the moderate food plan, therefore providing a more adequate reflection of the actual food costs.

Eliminate food stamp provisions that limit food stamp benefits to able-bodied adults without dependents. Expand food and fund for the TFAB program to a minimum of \$500 million a year. Immediately exercise your authority under Section 32 to purchase more fresh fruits and vegetables for the emergency food assistance system and provide funding to support innovative local and statewide market clearing programs such as Ohio's own Agricultural Surplus Production Alliance Program.



And last, allow demonstration projects that further simplify the application process and ensure that those who are eligible for food stamps can participate and increase the minimum issuance for senior citizens and persons with disabilities to a minimum of \$50 a month.

Thank you very much for your time.

MODERATOR: And now would be the appropriate time for my friendly reminder that the light system on the right side of the stage, the yellow light means 30 seconds and when the red light starts to flash I will be glad to step on your toes.

We will go back to the western mike. If you will just state your name and your question that you are responding to, Mr. Jackson.

MR. TOM JACKSON: Good afternoon. Mr. Secretary, I am Tom Jackson. I am president and CEO of the Ohio Grocer's Association. I represent grocers throughout the state of Ohio.

Unfortunately in the 2002 Farm Bill COOL or Country of Origin Labeling was an 11th-hour, last minute with no hearings and very little debate. It became a mandate that has been delayed and has gone through a lot of consternation. What I would hope in the 2007 Farm Bill is to work productively with our industry and the producers together so that we can make an effective, voluntary program. I understand that it would be incumbent for you to enforce what is presently on the books, so to speak. I think the best thing that could happen would be for us to delay that until the 2009 Farm Bill so that we could have a productive dialogue and have a productive session as far as working with the retailers and the producers to do what is best for the country.

In our global economy, I think this is very, very critical. This, in my opinion, and in the opinion of the distribution end of this program is that it is going to do nothing but raise the price of food to the American consumer. And I think that we can be very proud, and the people in this room can be extraordinarily proud of the fact that we feed our people for less than 10 percent of the disposable income. And if we are not careful and if we mess with that delicate balance, we are not going to be able to do that and we only have to look at many other countries to see what they're paying. So as a representative of the grocers, our goal is to bring it to the consumer at the lowest possible cost. And if we are not careful and if we don't work together, producer and distributor together, for a voluntary program that's effective that we all buy in on, I'm afraid all we will do is increase the cost and we'll do nothing for safety.

MODERATOR: And don't forget, we have the pamphlets in front of you that have six questions that we would like you to address here. We will have a period for open comments on the Farm Bill toward the end of the session. But if you will, make sure you focus on the six questions in the Farm Bill pamphlet.

Back to the eastern microphone for more comments.

MR. BOB SLICKER: Good afternoon. Bob Slicker from Wayne County. I farm with my brother Fred and three sons between the age of 26 and 32. Between us we have 12 grandkids and the oldest is 16.

This message is from them who are back home harvesting. They said, "Dad, go down there and tell those guys we need some common sense in this Farm Bill. We need some simplicity to this Farm Bill, and we need to get away from the political answers to this Farm Bill."

And I will express to you what these young people back home are telling me that they think they need to build a farm in the future and manage risk. They think you should get rid of the permanent payments. Permanent payments do anything but raise the price of land, make it harder for them, the young farmers, to expand. They keep inefficient people on the land. That also interrupts the markets on the peaks and valleys, and we need both in order to be able to do a good job of marketing risks, and we will get higher peaks and valleys if we take those permanent payments out of there.

We do need loan deficiency payments when we have a long drought of two or three years of low-cost to production in order to compete in the world and the other people that have subsidies. But hopefully if we can do a good job of managing marketing, we shouldn't need those very often.

We need crop insurance that these boys can afford to have. So they can go to their bankers and get the loans and the operating loans they need to continue to farm and be able to judge what they need in the way of cash flow to keep continuing the farming.

Along the simplicity lines is, I will say, if you get rid of the permanent payments, you will take the workload off of the Farm Service Agency office, they can do crop insurance for us instead of this helter-skelter we got and the crop insurance people are completely federal bureaucracy. When you have one that uses 6.6 bushel for a ton of silage and one that uses 7.93 at the ASC office or Farm Service, you've got people that are using different compaction factors for measuring bins. This is not simplicity, this is not stuff people can manage. This is risk factors we need to have to keep those young boys on the farm. Thank you.

MODERATOR: Thanks.

More comments from the western microphone.

MR. FLOYD GIDDING: Mr. Secretary, my name is Floyd Gidding and I'm from Prevo County. I am a farmer/owner producer. I would like to thank you for taking the time to listen to us Ag producers.

The statement by J. B. Penn, Under Secretary of Agriculture just recently said we never consolidated, we may consolidate functions, but we are going to improve service. If that means the goal to modernize the agency and to train employees for continued service improvement to the producers, then I understand. Service is the issue so that the producer have convenient access to NRCS office or FSA offices. These comments to go item three and item six of your brochure. That's more important than the number of offices.

If you close FSA offices, that will impact services. Let alone impact time and costs and production and travel to those offices out of their area or out of my area. There is no substitute for the face-to-face interaction that we have with our FSA personnel who are local and familiar with our area. If FSA offices are closed, then I also feel that fraud can also become an increasing problem because our elected county committee would not be the watchdog of the county. Instead, a larger area would be watched by boards that do not recognize local problems or live in the area.

We are a very small county with 45,000 people and with an income from FSA of over \$9 million. That does have an effect on the economy. As a producer, I would ask that the new Farm Bill continue with the people that I have known and trusted to run the FSA.

Thank you.

MODERATOR: Thank you, sir.

Comments now from the eastern mike.

[Applause.]

MR. DWIGHT WISE: Mr. Secretary, my name is Dwight Wise. I'm a retired farmer. I was in the state legislature for 12 years until the voter box put me out. I was chairman of the House Agriculture Committee for eight years.

In response to number three, how should farm policy be designed to effectively and fairly distribute assistance to producers? The safety net of \$5 per bushel for soybeans, \$2 per bushel for corn is essential to be included in the 2007 Federal Farm Program if the family farmer is to make enough profit to stay in business.

Recent federal farm benefits are the major reason that many family farmers have any profit at all and are able to remain on the farm. A 20 percent reduction of the safety net to \$4 for beans, \$1.60 for corn would result in a \$50,000 loss in gross receipts for a farmer who has 500 acres of soybeans and 500 acres of corn. There are very few family farmers who could stand this amount of loss in their operating statement. The present federal farm program is less than 1 percent of the total federal budget. There should be no reason that the safety net in the present farm program should not be included in the 2007 program.

Included in this letter are the current prices of soybeans and corn and wheat as indicated in the September 17th, 2005, Freeman, Ohio newspaper. Corn at Clyde, Ohio, \$1.68 presently. At Norwalk, soybeans, cash bid, \$5.35. The definition of a family farmer is a family farm is a unit using land and other capital investments operated by a family operator and his or her family who provide the management, take the economic risks, and provide a vital part of the work and supervision of the unit.

MODERATOR: Thank you.

MR. WISE: Thank you.

MODERATOR: Thank you, Mr. Wise.

Mr. Peterson.

MR. BOB PETERSON: Good afternoon. I'm Bob Peterson, a grain and livestock farmer from Washington Court House, Ohio. I farm with my father and brother. I thank you for the opportunity for farmers to share their opinions. I think today you will find out that we have some.

The vast majority of farmers throughout the U.S. will tell you that their ultimate policy vision would be a level playing field or chance to compete in open markets. That is my view and that is also the view of the Ohio Farm Bureau. I have the pleasure of serving as President of the Ohio Farm Bureau and we believe that should be our policy goal for the 21st century, a world where our farmers and ranchers are allowed to compete in open markets without tariffs, without export subsidies, without currency manipulations, and, yes, without production distorting domestic subsidies. Frankly that view of agriculture policy is still very much in the developmental stages, but one that makes a lot of sense to many people.

Given a world where we have access to foreign markets and where farmers are allowed to compete with other farmers and not against national treasuries is clearly the ideal. Ohio farmers are willing to discuss a reduction in commodity loan payments, countercyclical payments, and the like if, and I need to emphasize "if" we are able to remove other barriers to more open trade.

Moving toward this goal is becoming more difficult every year. As American farmers and some U.S. legislators feel that negotiated agreements are not being met and promises are not being kept. Each political failure is putting our delicate world trading system in jeopardy. We all know what is at stake and the potential economic catastrophe if we don't continue to move forward with meaningful discussions. But we must implement policies that will grow our markets. As markets grow, farm program costs will decrease and farmers' incomes grow from the marketplace.

Bridging the gap between where we are now and where we want to be in the future will require time. The short-term reality is that we will continue to need income support consisting with our international trade obligations. Part of this income support will likely need to be countercyclical in nature and therefore (unclear) opportunities for market growth are realized.

Thank you very much.

MODERATOR: Bob, I think we would all agree the number "some" doesn't cover the amount of opinions farmers have, but thanks for the thought.

Comments from the eastern mike.

MR. DAN HILLER: Thank you very much. I am Dan Hiller from Hardin County. And at my age I am just starting to farm as a second career.

I would like to address the history. The current and past farm programs have had the fatal side effect to many rural communities particularly noticed in western United States of depopulating very many areas. They have encouraged the expansion of farms at the sacrifice of a viable rural life.

Do we want to continue on with that, or do we want to maintain rural agriculture and the rural way of life? That is a question that can only be answered by the people of the community, not just a few farmers and a few special interest farm groups.

We have to, in order to build rural America, rebuild it, not just build, rebuild, we have to have an effective noncircumnavigable system with a ceiling of payments, not an individual having a number of corporation, like the gentlemen who received several millions of dollars in government subsidies from Oklahoma has and complains he needs double that to make a living.

I think the thing that we have overlooked and it is to our detriment today has been our cutback in federal and state funding of research. In order to keep that research in the public domain where it can be licensed to companies in the United States for use in the United States, that we have competition for supply. If we do not do this, then our days as an agricultural giant are definitely marked and we will succumb to the Brazils, the Ukraine, and other areas of the world that have lower cost structure than what we have.

Thank you.

MODERATOR: More comments from the western mike.

MS. ROBIN RADLEY CALICOAT [sp]: Good afternoon. My name is Robin Radley Calicoat [sp]. My husband and I farm in Clarke County near South Vienna. We have two small children, two boys, which hopefully eventually will go into agriculture one way or another. I would like to discuss the number one question concerning new entry into agriculture.

I am also involved in Clarke County Farm Bureau as their vice president and also on the Ohio Farm Bureau as well. There are a lot of different reasons why there are new farmers not coming into agriculture including the booming economy in the 1990s and the changing demographics. Without the access to government support, producers will have a lot of challenges in the future. Two other limiting factors are the government support payments as well as its effect on the land payments.

Government's payments tie to both land in price and higher rental rates. Renting land and investing the sweat equity needed to produce the crop is one of many ways producers get into agriculture, including my husband and I which are first-generation farmers.

Average net paid rent to non-operator landlords during 1995 to 1999 was only 15 percent compared to just ten years before. The cash back from that is only 15 percent. Excuse me, was 40 percent and 15 percent.

The asset value of land and agriculture is estimated at \$1.2 trillion. Some of the government payments right now boost the land prices from 18.3 percent in some areas to almost 40 percent in other areas. If adjustments are going to be made for government support programs that affect land prices, those adjustments must be evaluated very carefully and over a period of time. As a current young farmer and as a mother of hopefully two future farmers, I look to the USDA, yourself, and other governmental officials and administrations for sound policies to compliment Ohio's and America's number one industry, agriculture.

Thank you very much.

MODERATOR: Thanks, Robin.

More comments from this side of the house.

MS. GRETCHEN GRIFFIS: Good morning. Hello, Mr. Secretary, Dr. Moser. My name is Gretchen Griffis, I'm from Wooster, Ohio. I work as a public health nutritionist. I'm also a tree farmer with my husband. We have farmed in Wayne and Holmes County. My son-in-law is a dairy farmer who started from scratch on his own.

I am here to speak in terms of some of the other federal programs through the U.S. Department of Agriculture. The Department has been the lead organization in the anti-hunger relief through the Food Stamp Program, WIC Program, School Lunch Programs, these sorts of things. There have been comments made that these are just free handout programs. I would like that to be known that it is not. Particularly the WIC program, particularly the School Lunch Program. At least half of the money spent on these programs goes towards nutrition education, goes toward making sure that our children, our future receive the nutrition they need. And that is our future. Those programs also teach people the right types of food, teach them to buy the foods at our farmers' market. Both of these programs are an essential part of our economy.

The Food Stamp program, also provides food for many of our folks in need. It might be advantageous in reviewing these programs to put in a component to teach these folks how to use those food stamps correctly. Most of our folks that do partake of Food Stamp Programs, WIC Programs aren't there just for the hand out. They're there for the safe gap until they can earn on their own and to keep their families healthy. Thank you.

MODERATOR: Thank you.

More comments.

MS. TANYA STORM: Good afternoon. My name is Tanya Storm and I serve as the information coordinator for the Cart County Farm Bureau.

Thank you, Mr. Secretary, for this opportunity for farmers to share our views regarding the next Farm Bill. I would like to focus my comments today on the USDA question number four.

Since their introduction into the Farm Bill conservation programs have proven their value to the agricultural sector as well as the general public in enhancing our environment. The recent shift towards conservation programs for working lands is a welcome one and should continue to be the priority in conservation program delivery.

In addressing this issue concerning the millions of acres in the conservation reserve program, USDA should focus on creative approaches which stimulate program acreage providing greater environmental benefits placing existing and potential new contract holders on an even and competitive basis and spending taxpayer dollars wisely.

We believe the best approach for addressing expiring contracts is for the USDA to offer one to five year extensions for existing contract holders. This strategy would allow the USDA to even out the USDA workload while maintaining and championing an ongoing competitive bidding process. This type of extension strategy should be staggered to allow four to five million acres into the program on an annual basis.

Thank you for your time.

MODERATOR: Thank you.

Comments from this side of the room.

MS. KIM CLARK: Good afternoon, Mr. Secretary. My name is Kim Clark. I am the program services director with Girl Scouts, Seal of Ohio Council. And I am addressing question five today.

Grant funding for the Girl Scouting in rural communities initiative has allowed Girl Scouts Seal of Ohio, Black Diamond, and Heart of Ohio Councils to build in collaboration a new model for serving girls in rural Appalachian communities. These programs are critical to keeping communities thriving and viable for generations to come. By investing in our youth we can put forth the greatest infrastructure imaginable for long-term economic development growth, and sustainability in these distressed regions. Education is the key, financial literacy, social and entrepreneurial leadership, mentoring, community engagement. By building these skills, the young women we see today will be the leaders of tomorrow and key contributors in solving the questions put forth on the list today.

I would like to share from a letter that was written by a parent of a girl participant in our programs. "Our daughter is 12 years old and the Girl Zone Project has been fantastic for her and other girls in this area. We have no rec center, swimming pools, bowling alleys, movie theaters, no jobs, the list goes on and on. What we do have is drugs, alcohol, violence, and young girls having babies. The Girl Zone Project has given many of these girls the opportunity to grow and learn and to see the other side.

My daughter has received her first aid certification, traveled to Pittsburgh for a science program, Washington, D.C. to learn about our nation's capital and to Mountain State University where she lived in a dorm and learned about college life and careers.



On her trip to D.C. she called us every night to tell us what she did and saw. I was so happy to hear the excitement in her voice. Our daughter worked hard to earn extra money for her trip. She made and sold address labels, we gathered up stuff for a yard sale. Her friend baked cookies and pies for her church. So each girl learned so much including the money part. They both knew that we don't have the extra money.

As you can tell, these experiences have impact beyond just one girl. That excitement fills a home and in turn fills a community and brings hope to the future."

Thank you very much.

MODERATOR: More comments from this side of the room.

MR. CLARK SHEETS: Welcome to the great state of Ohio, Mr. Secretary. I am Clark Sheets a farmer from Hawking County. I am also a board member of the local Soil and Water Conservation District, have been for over 20 years. And we serve on that board voluntarily. It's a nonpaid position.

I also represent the Ohio Federation of Soil and Water Conservation Districts as a vice chair. And my concerns are about the conservation and environmental goals in the next Farm Bill.

We would like to see that expanded more on conservation issues. The CRP program that we've had here in Ohio, those have gone over well. The Lake Erie CRP and also the Sciota River CRP, the CSP programs, we would like to see that as it was originally initiated in the current Farm Bill to be an entitlement, not just on a watershed basis where we can -- the phrase is "reward the best and motivate the rest." It is a great program. We have the technical staff in place to administer these programs to get the farmers involved with them on the local district level and also working in partnership with the NRCS personnel. Our concerns are down the road that a lot of us are getting older. That means retirement is coming up for a lot of people, career people in NRCS. And we would like to see the money available there that they could add more people to help with these programs and continue the working relationship we have with the farmers in the area to get the job done.

Thank you.

MODERATOR: Thank you.

Now to this side of the room.

MS. SARAH COSKA [sp]: Hi, I'm Sarah Coska [sp]. I'm a middle school student from Massillon, Ohio and talking on question five. I'm with the Girl Zone Program.

When people think of Girl Scouting, they think camping and crafts and cookies. There is so much more than that. Girl Scouting has taught me how to set goals and how to achieve them. Through Girl Scouting I have got a greater self-esteem to talk to people and try new things. It also gives me the opportunity to know my community and like through service -- through services.

Over and above that the Girl Zone Program has taken me beyond the community to connect with other girls my age that share the same interests who aren't like even anywhere near me in the U.S. And I still talk to them everyday through new technologies like AIM and Instant Messaging. And we even cheer each other on at sporting events.

Through Girl Zone I have done so many things my friends will never have the chance to do. I am the outdoor person in my troop and my family aren't so much. I've gotten to go skiing, I've backpacked, I've biked, I've even gone whitewater rafting which I would have never been able to do.

Through Girl Zone I visited four colleges before I even entered eighth grade. Last summer I went to a teen techno venture challenge which opened my eyes to what college is really like. I slept in dorms, I walked to my classes, and I even ate in the cafeteria.

As many girls leave Girl Scouts as they grow older, Girl Zone has kept them active providing programs to hold their interest. Girl Scouts who decide to stay in troops have wide opportunities to connect with other girls in their communities by attending Girl Zone Programs. As Girl Scouting is still a part of my life Girl Zone has opened me to greater experiences.

Thank you for your time.

MODERATOR: Thank you for your comments.

More from Mr. Wilnow.

MR. SPARKY WILNOW: Good afternoon, I'm Sparky Wilnow answer I own and operate a farm in Mylon [sp], Ohio. I want to thank you, Secretary Johanns, for this opportunity for farmers to get together and speak with you about this next Farm Bill. I would like to focus my comments upon the USDA question number one, which reads: How should farm policy be designed to maximize U.S. competitiveness and our country's ability to effectively compete in global markets.

As you know, Mr. Secretary, our ability to compete in global markets will be affected greatly by the outcome of the ongoing DOHA round of the trade negotiations I the World Trade Organization. This round is unlikely to conclude successfully before 2007. The results of the negotiation, and particularly the results on domestic support comments must be better known and taken into account as we make major public declarations about changes to the current Farm Bill. Any attempt to seriously modify the current Farm Bill prior to the completion of the round may place U.S. farmers and ranchers at a serious competitive disadvantage.

Many farmers and I strongly agree and support the WTO negotiations as a means to achieve reductions in trade distorting domestic subsidies. The elimination of export subsidies, and the harmonization of tariffs from U.S. agricultural products around the world. This view is also shared by the Ohio Farm Bureau of which I serve as vice president.

The modalities for the negotiations on domestic supports need to be clearly defined before it is reasonable to change the Farm Bill. Without the specifics of the agreement, including concessions in the key areas of market access, it is simply not enough to reduce program spending and assume that future U.S. compliance with WTO domestic support commitments will be met. In the transition to more market-oriented programs there is no greater need than eliminating market barriers and other limitations to market-based trade. In this transition period, Ohio Farm Bureau will likely ask for your assistance to offset the negative effect here at home from the trade distorting practices of other government.

MODERATOR: Thanks, Sparky.

MR. WILNOW: You're welcome. Thank you.

MODERATOR: Thanks, Sparky.

More comments?

MR. BRYCE SIMMS: Yes, I'm Bryce Simms, Jefferson Township Trustee, southwest of Dayton, Ohio. I came here to thank you because of what you done for us.

We went everywhere trying to get a loan, but our economic conditions couldn't afford a loan. But we came to Hillsboro and we start working with you and we got a loan for \$812,000, 5 percent, 30 years. I want to let you know that if it hadn't been for you, we wouldn't be in this new facility. The only reason I came up here is to just thank you. We are in our new facilities, our new administration building, our new fire station, and we are all happy.

[Laughter.]

MR. SIMMS: So the concern I have now is trying to get some more money.

[Laughter.]

MR. SIMMS: On that 5 percent loan. But that's one reason I came. I seen some people that helped us, but the thing about it is, you're doing a great job. I wanted to welcome you to Ohio, Ohio Buckeyes. All right.

[Applause.]

MR. SIMMS: So that's one reason I'm here and I just want to let you know that our community is so proud. Mike and them, they come back all the time, you know, and we go out for dinner and everything. But, keep on doing the good work.

Look here, citizens, you all got money out here. You all -- if you got money, they will help you. I'm serious, if you qualify. I'm serious. We didn't even know. But we got the money and we're happy. Thanks a lot.

MODERATOR: Thank you, sir.

More comments from this side of the room?

MR. JEFF SELLERS: Good afternoon. I am Jeff Sellers, a third-generation vegetable grower/shipper from Hartville, Ohio. Thank you for this opportunity, Secretary Johanns.

Historically farm policy has been written with little input from and attention to the U.S. fruit and vegetable sector. Limited dollars have been made available for research while separate legislation has pursued market access activities.

The central component of recent Farm Bills for the fruit and vegetable sector has been the prohibition of planting fruits and vegetables to acres receiving direct payments. I urge the administration to leave this prohibition in place. The fruit and vegetable sector has operated in a market-driven environment that as such is sensitive to changes in supply and demand. Removing the prohibition creates an unlevel risk exposure for growers entering and exiting the fruit and vegetable market while continuing to receive direct government payments during the off years.

We urge the administration to address the WTO cotton case ruling by requesting and fighting for an exemption during the DOHA negotiations that allow us to maintain this prohibition and green box status for direct payments.

For the 2007 Farm Bill fruit and vegetable producers would benefit from non-trade distorting, assistance in the form of risk management, tools designed for specialty crop growers, research and nutrition, and real regulatory reform.

Regulatory actions cost the Ohio fruit and vegetable sectors millions of dollars annually affecting our competitiveness both domestically and internationally. During this current energy crises, regulatory reform is desperately needed to reduce the refining bottleneck strangling our agricultural businesses and our ability to deliver products to its final destination. We seek a positive business climate under which we can operate. This will only come about with the right kind of tax policies and labor laws that provide the flexibility needed while rewarding productivity, health care systems that continue to provide some of the best medical services in the world, infrastructure that allows us --

MODERATOR: Thanks, that's your two minutes. Appreciate that.

More comments. Mr. Sharp.

MR. DON SHARP: Yes, my name is Don Sharp. I own and operate a dairy farm in Fairfield County.

I am requesting that an agriculture easement program be developed as a part of the new Farm Bill. This program will allow farmers to agree to an agriculture easement to satisfy increased loan obligations brought about by maturing shared appreciation agreements. Such an easement program was a part of the Senate version of the present Farm Bill, but was lost in committee before the final version of the bill was passed.

One of the directives to the USDA of the Agriculture Credit Act of 1987 was to restructure loans and write down farm debt. In order to be eligible for these restructuring programs designed to help keep producers on the land, thousands of farmers across the country were required to sign ten-year shared appreciation agreements. Due to increased upward pressure put on farm land prices from residential and industrial development, these agreements, even though not explained as such at the time of signing, are now being interpreted at the time of maturity by the Farm Service Agency as to allow for 100 percent of the restructured write down to be recaptured and added back to the farmers' debt. This occurs at the end of the ten-year shared appreciation agreement even though the farmer has remained on the land and made all loan payments due.

These large increases in debt often leads to a farmer being unable to cash flow the new debt. Increased land value only translates to the ability to cash flow a large debt if all or part of the land is sold. This defeats the initial intent of the program to keep farmers on the land.

An agriculture easement program can accomplish the following goals:

Allow farmers to complete their loan agreements without assuming additional large loan obligations; fulfill the initial intent of the loan restructuring program to keep family farmers on the land; prevent farm land from being lost to residential and industrial development and can accomplish all these mentioned goals without any cash expenditure by USDA.

I think this addresses question number three.

MODERATOR: Thank you, Mr. Sharp.

More comments --

[Tape break.]

[In progress.]

MR. \_\_\_\_\_: Rural community assistance partnership. I'm in Washington County. I want to give a thanks to the administration and to the Department for your coming out here in supporting of the infrastructure, water and sewer and wastewater projects throughout Ohio and to the rural communities through the Rural Development Agency. And we want to thank you for this support. We believe that this addresses or is in response to question number five and will also help retain young people in small communities.

MODERATOR: Thank you.

More comments, Mr. Logan.

MR. LOGAN: Thank you, Andy, thank you, Mr. Secretary, and Dean Moser. We appreciate the opportunity. On behalf of the Ohio Farmers Union we would like to respond to a few of the questions that you had proposed.

The first has to do with the unintended consequences of USDA supported trade policy.

First, let me say, we fully acknowledge that today's agricultural markets are unquestionably global in nature. We take no issue with those who seek to access overseas markets, and we acknowledge that some very valuable opportunities exist in overseas markets. Our concern relates to the unintended consequences of advocating a particular set of trading rules which ignore many trade distorting factors such as variances in currency valuation, variances in environmental standards, sanitary standards, and labor standards while focusing exclusively on the conventional three pillars.

The unintended consequence of the adoption of these policies has been to put American agriculture producers at a distinct disadvantage to those foreign competitors whose countries manipulate currencies and to those who may -- and also rewards those nations who may abuse their environment or exploit their workers.

The results of the adoption of these trade rules has been a dramatic 62 percent increase in agricultural imports into the U.S. while Ag exports have managed only a modest 4 percent increase since 1995, that's according to USDA and Department of Commerce statistics. The bottom line net effect has been a consistent erosion in U.S. Ag trade balance from a comfortable \$24.7 billion in '95 to near zero this year.

So despite our nation's very abundant natural resource base, our climate and unparalleled technology we stand poised to be a net food-importing nation.

Thank you.

MODERATOR: Thanks, Joe.

More comments from this side of the house.

MR. GARY BALDEZER [sp]: Good afternoon, my name is Gary Baldezer [sp] and I'm a fourth-generation corn, wheat and soybean producer from north central Ohio in Seneca County. I would like to focus my comments today on question number four, which reads:

How can farm policy best achieve conservation and environmental goals?

Conservation compliance has long been a part of farm policy. Though often overlooked as a conservation component, it has contributed significantly to the reduction in soil erosion and other environmental benefits. Sod Buster and Swamp Buster have resulted in improved water quality and worked to protect our natural resources.

Since their inception, conservation programs have continued to grow and evolve. The 2002 Farm Bill included more authorized funding for conservation than any other Farm Bill in history. We expect programs like the Conservation Security Program, CSP, or program applying conservation practices on specific working lands to become the lynchpin of conservation titles and possibly an important means of supporting farm income in years to come.

The CSP must be available to all producers, implemented as a nationwide program that is workable and adequate funds must be appropriated to make it an effective program. Producers must receive assistance to help defray the cost of ongoing environmental improvements and regulations. CSP has suffered from a restricted watershed-based approach that has limited it to a relatively small number of producers. Virtually no lead time has been incorporated into the announcement of selected watershed and when producers can apply for the program.

In conclusion, let me turn to EQIP. The existing Environmental Quality Incentive Program reflects and carries out the intent of the 2002 Farm Bill. The priorities promote agricultural production and environmental quality as compatible goals and to optimize environmental benefits by assisting producers in complying with local, state, and governmental regulations and requirements concerning soil, water and air quality along with wildlife and habitat.

Thank you very much.

MODERATOR: Thanks.

Comments from this side of the room.

MR. ERIC METZGER: Thank you for joining us this afternoon. My name is Eric Metzger. I serve as general manager of National All Jersey, a national dairy organization of approximately 1,000 members. Towards that end, I have three comments in regards to the dairy provisions of the upcoming Farm Bill.

Number one, we believe that the federal milk marketing order system needs to be reviewed in its entirety. Many of the principles used to establish the federal order system nearly 70 years ago no longer apply to the current dairy industry. Far more milk is produced than is needed for class one use. Class three milk is no longer simply reserve milk, but rather an integral part of the dairy industry and federal order receipts.

One particularly troubling trend in recent federal order hearings is the move to exclude grade A producers from sharing in pooled receipts simply because they do not belong to a co-op or marketing agency that happens to supply the class one market.

If market wide pooling is restricted to only producers that actually ship milk to bottling plants along with what is deemed to be an adequate reserve, the result will be a vast discrepancy in on-farm prices creating classes of have and have not producers. All grade A producers should have the opportunity to share in market wide pooling if they choose to do so.

Secondly, the next Farm Bill should consider replacing the MILC and dairy price support programs with a countercyclical payment program. The MILC program causes divisiveness between producers and regions. The price support program causes market distortions through



encouraging production of products that are not needed by the marketplace, but whose world prices happen to be below U.S. support price.

Finally, any safety net program should be based on milk solids and not simply milk hundred weights. The true value of milk lies in its components, not in its volume.

Finally, we believe the next the Farm Bill should focus on helping to develop infrastructure for a domestic milk protein concentrate bill instead of simply relying on import tariffs.

Thank you.

MODERATOR: More comments from this side of the room.

MR. JESSE MEESHAW [sp]: Yeah, I would like to thank the Secretary for the opportunity to speak. My name is Jesse Meeshaw [sp]. I'm from Wilshire, Ohio, Van Wert County, Ohio. And I'm a farmer and I've been a county committee person for 19 years.

A couple issues I would like to address the home security issue relating to farming and ranching. This is a very important issue that needs our immediate attention. I would like to suggest to you, Mr. Secretary, that we have an agency in place that is ready to work with the APHIS which is the Animal and Plant Health Inspection Service on this security issue relating to crops and livestock.

The FSA office has the infrastructure in place and they can get very close to the problem buildings where a problem might exist and some states are already working on this. Tennessee, for example, is number one.

And another program I would like to be one that assists farmers, especially young farmers, that are under stress to improve their farming abilities to provide a positive cash flow and allow the control and operation of the family farm. This program could help farms diversify by assisting in capital costs of building and equipment and other farm-related items. FSA has the data to help assess this program and it could be a combination of both state and federal funds.

And I also have a lot of other things, if anybody wants to talk to me and different plans, thank you.

MODERATOR: And for those of you who have prepared written comments that you don't have time to get through all during your two minutes here, the comment box is in the middle of the room, you are more than welcome to submit those or on line at USDA's web site.

More comments now from this side of the house.

MR. DAVID STARNER [sp]: Mr. Secretary, welcome to Ohio and the Farm Science Review. My name is David Starner [sp], chief credit officer of Ag credit, Agricultural Credit Association. We are part of the Farm Credit Service system serving 18 counties in north central and northwestern Ohio. Our headquarter office is located in Fostoria.

Ag Credit is a single-industry lender financing only agriculture in rural America. Due to our industry concentrations we have utilized FSA guarantees for over 20 years. And in the last six years or so have, after becoming a preferred lender, have dramatically increased their use. Currently we have 1,400 loans, FSA guaranteed. That's about \$147 million of our \$635 million of our portfolio volume. That's 23 percent of the portfolio.

Recently we have been informed by FSA that we have the highest number of guarantees of any lender in the United States. In an effort to bring young farmers into production agriculture, we have utilized the guarantee program on young, beginning, small farmers loans instead of asking for parents or grandparents to cosign loans. This keeps family members from risking their equity due to the uncertainties of farming.

We participate with FSA on 50/50 real estate loans where FSA provides half of the funding and we provide the other half. We generally also obtain an FSA guarantee on our portion of the loan. With the first mortgage on that property along with an FSA guarantee, the Association is basically taking no risk in that type of financing. Most often these loans are also to young, beginning, small farmers.

During the farm crisis of the 1980s we used FSA guarantees to keep farmers in business with less than 10 percent owner equity. We needed a lender to stick with them and FSA was the only way that we could.

We encourage continued funding of the FSA guarantee program in the 2007 Farm Bill --

MODERATOR: Thank you, sir.

MR. STARNER: -- so that we can continue financing families in northwest and north central Ohio. Thank you.

MODERATOR: Thank you for the comments.

Over to this side of the room.

MR. ANDY STEVENS: My name is Andy Stevens. I am currently owner and editor of American Small Farm Magazine. My comments will relate to question number six.

I grew up on a 40-acre farm in Delaware County. Delaware County is the fastest growing county in the state of Ohio. So we grow houses faster than we grow corn. The goal of my magazine is to help family farms discover new ways of producing and marketing so they can survive on a small farm. That's the goal of the magazine.

I had four children that were raised on a farm and all four of them were in 4-H and FFA. I also was in 4-H and FFA. And all four of them were state farmers. So my comments are directed towards the USDA's small farm program. I would like to see that continued. I would like to see it be more active in developing things that small family farms can use. I know that they have a national conference every few years. Their fourth one is coming up in October, but I would like to see more activity from that.

Many of the land grant colleges have small farm programs. Here in the state of Ohio we have the sustainable Ag working and they've over in the small farm center. But that is something that needs to be developed also more.

And, of course, research and new products and marketing are also in very much of a need. I guess that's all I can say about the question six. I won't comment on some of the others.

Thank you.

MODERATOR: Thanks, Andy.

More comments from this side of the room.

MS. BECKY RONDİ [sp]: Thank you. My name is Becky Rondi [sp]. My husband and I have 120 certified organic acres in the beautiful rolling hills of Athens County in southeastern Ohio. We are produce growers and we are very blessed to have a diversified market down there of CSA marketing community-supported agriculture which are direct sales to our customers, farmers market and we also sell locally and regionally to wholesale markets.

We are very fortunate that the region that we live in, the local businesses are very committed to buying from local growers and supporting those local growers. So I guess my comments address number five.

The development of local food systems to me is critical. It is critical for lots of reasons. It's critical because it provides jobs in an economy that has very few, especially down in southeastern Ohio. We alone employ four people full-time and we have a lot of part-time help.

The fresh locally produced food that we are able to sell is better nutritionally; the nutritional content because it's so fresh is much higher. And we can't grow enough food. We are constantly sold out, which I guess is a good place to be in, but sometimes very frustrating.

And I think my last comment, as the cost of shipping and trucking is increasing more and more and more, to me it's only going to get more and more expensive. We are not ever going to have more fuel. So, I think that growing local food systems is absolutely our best form of homeland security.

Thank you.

MODERATOR: Thank you. More comments from this side of the room?

MR. MARK FORNEY [sp]: Thank you, Mr. Secretary and Dr. Moser. My name is Mark Forney [s p]. I am a county commissioner from one of the smallest counties in Ohio and my comments are directed to number five.

Being from a small county grass roots is very important to us. The things that come from the grass roots, extension, soil and water, are programs that we can get behind. We feel that it addresses our issues.

Another one of the programs that USDA through NRCS has is the RCD program which is resource conservation and development. We think that's a very important component of government helping smaller governments and private industry. So my comments are basically addressed to keep that partnership as strong as we can. It's a partnership between federal, local and state and private industry. We have leveraged about 14 -- or for every dollar we get of federal money, we leverage about \$14 to do projects through the state of Ohio.

Ohio was one of the states that is completely covered by RCD regions or councils. Nebraska has got some very fine ones out there too that you may be very familiar with.

So I would just, along with the comment of common sense in the Farm Bill, I would want to keep in there that the grass roots is really where it's from. Like I say, extension, I think, does an excellent job of getting that message up to the top, and I think RCD does too.

Thank you very much.

MODERATOR: Thank you. More comments?

MS. ELLEN JOCELYN: Good afternoon. My name is Ellen Jocelyn and my husband and I farm a cash farm in Sidney, Ohio.

Thank you, Secretary Johanns, for this opportunity for farmers to share our views regarding the next Farm Bill. I would like to focus my comments as to the previous two speakers on question number five.

Farming operations are dependent on rural economies and rural economies depend upon agriculture. The United States must create the business climate that fosters entrepreneurship that encourages people to start a business and gives them the tools to compete in a global environment. Tax policy, environmental regulations, labor and health care policy and infrastructure are among those that most quickly come to mind. A well-educated and trained work force must be high on the list as well. These conditions should be the standard at all levels of government regardless of rural or urban setting.

At the same time, it should be recognized that the more rural parts of the country have special needs. This is particularly true in terms of infrastructure investment. There may be a need for greater investment by the federal government in outcomes-based rural infrastructure investment. There are clearly different transportation costs faced by agricultural goods produced in one part of the state versus other parts. A resident of rural Ohio, however, should have access to the same kind of Internet and other telecommunications support. This compares to a resident outside of Cleveland.

It is also important to remember that a healthy agriculture economy is important to a healthy rural economy. Very conservatively it is estimated that each farm program dollar turns over three and one half times in our local community. Production agriculture will continue to fuel the economic engine that powers the bulk of rural America. The economic priming effect of our farm programs provide the foundation on which an enhanced rural development program can build.

Thank you for your time today. We appreciate you coming to Ohio.

MODERATOR: Thanks, Ellen.

More comments from this side of the room.

MR. BRENT PORTEOUS [s p]: Good afternoon. I am Brent Porteous [sp] and along with my brother are the middle of three generations involved in our family business which also includes my 80-year-old father and my two daughters in their mid-20s. We own and operate a 1,600-acre beef and grain farm in Coshocton in east central Ohio.

Thank you, Secretary Johanns, for this opportunity for farmers to share our views regarding the next Farm Bill. I would like to focus my comments on the USDA question number three which reads:

How should farm policy be designed to effectively and fairly distribute assistance to producers?

Let me first state that the Farm Bill is unequivocally working. It provides an adequate safety net to farmers and ranchers when commodity prices are low. When prices rise, the land functions without additional funding from the government via the countercyclical payments or loan deficiency payments and the CBO says the actual spending level for the bill is \$15 billion less or 40 percent lower in the first full three fiscal years than originally projected, which is a very good thing.

The planning flexibility provisions provided farmers in the '96 Farm Bill are working and we should not consider reverting to provisions that would require farmers to plant a specified crop to receive support.

As a member of the Ohio Farm Bureau, we generally support the concept of the [unclear] payments based on cropping history rather than on current plantings.

We also continue to oppose any changes in the current Farm Bill payment limitations. If limitations on benefits are made more restrictive a significant number of farmers would not benefit from that improved safety net. As payment limits bite hardest when commodity prices are lowest. Our federal farm program clearly is based on production and farmers who produce more traditionally receive larger payments, but they also take larger risks and have significantly higher investments on their farms.

Farm policy has always been production-based rather than socially based and only if we once allow someone inside the beltway to decide winners and losers should we move to a socially based policy.

I also believe that Ohio and U.S. farmers are open to discussing different approaches to farm policy providing that such programs will continue to assure an adequate safety net while they continue to try and save the American taxpayer dollars --

MODERATOR: Thanks, Brent.

MR. PORTEOUS: -- thank you.

MODERATOR: Appreciate your comments.

More comments from this side of the room.

MS. CHRISTINE HODSON: Yes, thank you very much. I appreciate the opportunity, Dr. Moser and Secretary Johanns. My name is Christine Hodson. I am the chair of the Ohio Tree Farm Committee. So I am here representing the 1,700 family forest land owners in the state of Ohio.

Our challenges are great in this state and we were very, very dependent upon, and appreciate in the past, the conservation programs that have been available to the family forest land owner. Things have changed over the past as the agricultural conservation program from the beginning and up to today with the forest land incentives program and also the EQIP program which is very essential to us in our implementation of our sustainable forest land and management activities.

I just want to kind of emphasize that Ohio is facing new challenges, not only with the forest fragmentation that's going on in our state, but also with the influx of our invasive plants that I know even with the Forest Service has kind of come to a notation that we are having a problem with that. So I am hoping that you will think of us in the future, the forest land owners in the Farm Bills that we have today and try to keep them funded and then to also include them also in the 2007 Farm Bill.

So, with that, thank you very much.

MODERATOR: Thank you.

More comments here.

MS. SUSAN McCORMICK: Howdy-do. Susan McCormick from Liberty, Indiana. I've been married to a farmer for 37 years, the same farmer.

[Laughter.]

MS. McCORMICK: And I think I'm going to address two and four. I like the crop insurance and I like the crop revenue insurance. I wish it was a little less costly. Because in times when we have the low prices, we still need to live.

The other way you can help us with the living is for us to be able to get better prices abroad by getting the ocean rates, you know, the ships that carry, the freight is too high and we can't compete. The way I understand it now, the barges, maybe we need the Mississippi or the Ohio dredged out because it's down too low and we can only fill the barges 42 percent, that's what I'm hearing now. I mean, a month ago I could get \$2.46 up the road, now I get \$1.65 for my corn. So, I mean, if you could, please help the Port of New Orleans out pretty shortly. Otherwise, we're going to have a real mess. Okay.

Thank you.

MODERATOR: Thank you.

More comments from this side of the house.

MR. TRAVIS WEST: Yes, thank you for the opportunity. My name is Travis West representing the Ohio Cooperative Development Center. Basically I'm addressing question number five.

Two issues that relate to cooperatives as a business model in the United States, number one, the continued support of the Rural Cooperative Development Grant program which our center is funded through. Basically this provides professionals to assist groups of producers that want to sell a product, provide a service, provide a marketing opportunity that they can't do alone, but they can do it together. And basically this grant program funds centers who provide that technical assistant for feasibility studies, business planning, that make those cooperatives successful in the long run.

The second one is support or programs that encourage the use of the cooperative business model outside the traditional farm supply cooperative in actually, the Ag arena including those issues that affect rural communities, home health care, housing, and any nontraditional community development opportunities that might arise that the cooperative business model fits very well into and could benefit those rural communities that are outside the Ag sector.

Thank you.

MODERATOR: Thank you.

More comments from this side of the room.

MS. DEBBIE BOWDEN: Yes. Thank you. I'm Debbie Bowden from Ostrander [sp], Ohio. And I am addressing probably issues, one, two, four and five. They're more general in nature.

I just would encourage policy in general to encourage the fact that the world is flat and we have to compete and so programs of education, FFA, where people have to take on their own free market types of businesses, and actually experience risk, and perhaps have some wins and losses to me continue to be important. Because I actually own some land in addition to Ohio in



Louisiana and the culture is quite different there. But people taking responsibility for their own learning, having infrastructure for learning, to me, will be absolutely essential for people to compete in the global environment in the future.

Thank you.

MODERATOR: More comments over here now.

MR. MIKE VALLERY: Mr. Secretary, I would like to welcome you to Madison County, Dr. Moser, Andy Vance. My name is Mike Vallery. I am a Madison County Farm Bureau member. I guess my remarks are to question one.

I've benefited as a beginning farmer from the direct loan program that the FSA has and I just have a few ideas. Increasing loan limits for direct farm ownership and operating loans. The current limits of \$200,000 for farm loans and \$200,000 for operating loans were set over 20 years ago. Production costs and real estate values have greatly increased over the past 20 years. These low lending limits are greatly limiting our ability to help beginning farmers, socially disadvantaged farmers, and financially stressed farmers, and ones that want to expand their farm operations. We think the loan limit should be increased on that.

In an effort to help beginning farmers, I feel that we should have -- that the \$250,000 limit on purchase price should be raised because of our new rising farm values. We would also like to allow FSA to guarantee loans made by commercial lenders on like tax-free bonds.

Another idea is providing incentives that allow FSA to offer innovative financing solutions for beginning farmers such as providing tax incentives or benefits to land owners that sell or rent their property to beginning farmers.

Increase the maximum FSA loan term for beginning farmers, the down-payment loans to 20 to 25 years instead of the 15 years now. And also change crop insurance subsidization to make higher levels of coverage more affordable to improve the farm safety net.

Thank you for listening to our comments.

MODERATOR: Thank you, one more set of comments before the break.

MR. CHRIS RIDDLE: Good afternoon. Thank you. My name is Chris Riddle. I work with the Sandusky River Watershed Coalition. We are a community-based group trying to improve water quality in northwest Ohio. We serve an area that's 85 percent agriculture.

I think one of the most important things that we see locally is a need for local leadership and local ability to have some flexibility with programs. The same tool doesn't fit every situation. I think that providing some local ability to work with programs gives us the ability to kind of adjust as things happen. I think this really addresses number four, looking at water quality goals.

As a water quality professional, I have definitely seen, even in the short time I've been in the field, a loss in funds that are available to agricultural communities to do things that benefit both agriculture and the farm side and the bottom dollar that the producers need as well as the water quality benefits that people off farm are going to see. We need to pay people for these programs if they're going to be doing things that produce off-farm benefits. I think allowing local people to have some ability to oversee those can really help us make those work in a way that fits that may not fit several counties away, or in a different community with a different set of folks.

And I think that also looking at as we lose some of our farms and how we have fewer and fewer farms and they're getting bigger and bigger, that is definitely having an impact on people's ability to manage water quality and their land because they're managing so many more acres and as these farms get bigger, it's get harder for new farmers to get involved with the increased cost of getting started.

So that's just a couple of things and we'll be submitting written comments as well. Thank you very much.

MODERATOR: Very good. Thank you.

At this point we are pretty excited. We have had a good round of comments thus far. And the microphones haven't stayed cold for very long, and we will keep it that way here for the rest of the afternoon.

Right now we are going to take a brief break, about five minutes, and then we will come back and we'll accept more comments as well. So don't stray far. We will be here until 5:00 this afternoon taking some more comments on the Farm Bill.

[Brief recess taken.]

MODERATOR: Grab your seats, we will kick off the next segment of this Farm Bill listening session and forum here.

We've gotten some great comments already regarding what Ohio agriculture needs in the next piece of Farm Bill legislation and the many varying aspects of agriculture.

I want to thank again Dr. Bobby Moser, the Ohio State University, College of Food, Ag, and Environmental Sciences for hosting and Secretary of Agriculture Mike Johanns for listening and taking our comments where as they get ready to help develop the next Farm Bill.

Just a reminder of how the forum process works. We have two microphones, everyone here is invited to come and offer comments. Everything said today will be transcribed into the official record and the Secretary and his staff will evaluate all of the comments we present here today.

If you haven't noticed, the Secretary takes copious notes. I don't know how many note cards you go through on a national tour, but I imagine that some of those forest owners are very thankful you're buying their products.

We have two microphones for you. You remember the light system, the green light will be on the entire time you speak. When you get to 30 seconds, we will shift to the yellow light, and when the red light starts to flash, well this is the lightning round, so someone will come up behind you and whack you on the back of the head. No, I'm kidding.

We will start with this microphone, Director of Agriculture Fred Dailey. And Director Dailey, Larry Adams told me to remind you, the red light means you're done. No, I'm kidding.

[Laughter.]

MODERATOR: I guess we're giving deference to the director here for a special presentation.

MR. FRED DAILEY: Well, I don't know the red light what it means because I'm color blind. But I'll do my best to stay on schedule.

Mr. Secretary, once again, welcome to Ohio and the eastern corn belt. As you heard earlier today, agriculture is Ohio's number one industry. It supports 78,000 farmers, farm families, throughout Ohio. And they work hard every day to feed our consumers as well as feeding a hungry world.

Mr. Secretary, the producers that you see in the audience here today are proud, independent businessmen and women. They don't want to become wards of the state nor do they want agriculture to become a public utility. Therefore, the top priority should be the continued viability, productivity and profitability of our family farms and ranches in Ohio and throughout our nation.

We should ensure that our children and grandchildren don't have to depend upon off-shore food production for survival. To accomplish that goal, we must remove trade barriers and have greater access to international markets. We must continue to protect and screen our borders from foreign diseases and invasive species such as Emerald Ash Borer. We must also address the unintended consequences of the last two Farm Bills which has stifled the production of processing tomatoes in northwest Ohio.

We must continue our conservation programs, our rural development programs, and our farmland preservation programs. We must also encourage more intergovernmental cooperation and remove arcane trade prohibitions such as the ban on the interstate shipment of state-inspected meat products which is slowly killing the meat processing industry in Ohio and 27 other states.

It is shameful that third-world countries can export their meat products to all 50 states under an equal-to program and yet our own small packers cannot sell products processed under the same equal-to program to a neighboring state.

[Applause.]

MR. DAILEY: And, Mr. Secretary, I want to thank President Bush for his leadership with the whole new renewable fuels industries being built in Ohio as we speak. We need to build upon the success of the energy bill and grow the critical industry which will reduce our dangerous dependence upon foreign oil.

Mr. Secretary, a 17th century French nobleman once said that agriculture is like a tree or a state is like a tree, agriculture is the roots, the population is the trunk, the branches are commerce and industry, the leaves are commerce and the arts. It is from the roots that the tree draws the nourishing sap and it's to the roots that a remedy must be applied if the tree is not to perish.

Mr. Secretary, the 2007 Farm Bill, more than anything else, should serve as a remedy to the roots of this great country which you and I both proudly serve.

In closing, Mr. Secretary, I would like to make a presentation to you. I know you have many responsibilities, but if you were the director of the Ohio Department of Agriculture, you would work very hard to implement the suggestions that you heard here today. And by virtue of the powers vested in me and a few that probably aren't, I am going to confer upon you the title of Honorary Director of Agriculture in Ohio.

[Applause.]

MODERATOR: And Director Dailey didn't do too terribly bad in staying on the time restraints of the light system. So, colors or no colors, Director Dailey, thanks for being here this afternoon and sharing comments on behalf of our industry.

More comments now from this side of the house.

MR. HOWARD DOSTER [sp]: Thank you. Mr. Secretary, Mr. Vice President, Howard Doster from Waynesville, Ohio, A sixth-generation independent farmer, an independent farm consultant, farm management consultant and a very independent land grant professor emeritus.

For various reasons, less land grant money is now being directed to teaching farmers the decision making problem-solving process and to providing unbiased, unbundled farm management information. Doing nothing is an alternative that worries me. The seed patent law of 30-plus years ago changed U.S. agriculture forever. But I still want my descendants and yours to have the opportunity to thrive as successful, independent, decision making producers, not barely survive as serfs taking Internet order from someone in Basil, Switzerland, Beijing, China, on the moon or wherever. I think now it's the time to revitalize the land grant system.

While farmers now farm more acres, most corn belt farmers are still one-combine, family operations. The very descendants of the producers and consumers who benefited from the Morrill Act. That act and others that followed provided the way for small farmers to learn how to improve the problem-solving process and how to get unbiased, unbundled, management information from land grant research, teaching, and extension. Most farmers are still small compared to the multi-national firms they now buy from and sell to. Their need to learn the problem-solving process and to get unbiased, unbundled management information is still great.

MODERATOR: Thank you, Mr. Professor. We may have some more time at the end for more comments.

We will have more comments from this side of the room now.

MR. CHESTER MURPHY: Thank you. I'm Chester Murphy from Cedarville Township, Greene County. I don't have a page or two of prepared comments, but I would like to reinforce some of the comments made relative to question four. I'm sure as you've traveled the country you've seen a greater utilization of conservation practices such as the grass waterways, filter strips, better use feeding paths among many others. And those uses are come about one, because of the farmer's commitment to stewardship of the land. Another part though is the cost-sharing provided by various federal, state, and local sources.

I want to encourage you to maintain not only maintain or expand those sources, but also the funding for the various departments that help to supervise, design, and implement those programs. Without them nothing would happen.

I do have one correction I would like to make to some comments made earlier. And that's that this is Buckeye country, the light isn't red, it's scarlet.

[Laughter.]

MODERATOR: And we'll take some more comments now from this side of the room.

MR. \_\_\_\_\_: Hello, gentlemen. Thank you so much for the opportunity to speak on the 2007 Farm Bill. On question four.

We target acres for erosion control, water quality, wildlife conservation, why can't they all be the same acres. I think we have to take the acreage that we have and use it to the very

fullest potential that we could possibly gain from those acres. I know there's organizations like Pheasants Forever that come into an area I grew up in an area where our pheasant population was very large at one time and it's almost completely gone now. So maybe in the future we can see some of these things come back off of these acreages that we're using for multiple purposes.

Thank you, again.

MODERATOR: Thank you, sir.

We will accept more comments from this side of the room.

MR. VALENTINE YETSY [s p]: I'm Valentine Yetsy and Dr. Moser would know who I am and a lot of others here also. Kind of a maverick when I was on the Extension Advisory Committee of Ohio State.

My children and grandchildren are the fourth and fifth generations on a family farm. A small family farm that has taken no money from the government at any time for any program. For you young folks, I would love to be your age today and be able to start farming in the United States of America without any farm programs. You can still make it on your own. You heard this lady here behind me talk about Athens County can't keep up with what she has to produce.

We are trying to make a manufacturing process out of a biological process. Do you realize that in farming the American farmer is the most efficient producer per man of any place in the world. But he is probably the lousiest producer when it comes to net energy. We do not produce any net energy. Right now our production in reverse is 15 calories input for one calorie output.

Lester Brown challenged me back in 1972 in Washington, D.C. about being net energy producers. And I vowed then I would be. And I've tried to be ever since. And we can do it, folks. The comments I heard here today every one but one of them was, what can the government do for me? Let us take the initiative and do for our own. Let us take care of ourselves. This is just the beginning of what I would like to talk about. And Dr. Moser would know that because I've been kind of a burr under his saddle for quite a few years.

But remember this, it isn't what you can do for the farmer, let's have the farmer do for himself. You make the farmer to be dependent upon you and when the farmer is dependent upon you, you make him a slave to you.

In all of my years of community development work, that was the one thing I never wanted to do, only to have them do for themselves what they should be doing for themselves. Never make them dependent upon you.

MODERATOR: Thank you.

More comments. We would invite you, if you didn't get a chance to expound all your comments during your two minutes, we have open mikes, feel free to join us. We'll take comments right here.

MR. JAMES HARRIS: Yes, my name is James Harris. I'm from a farm family in southwestern Ohio. I would like to propose a fix to a farm tax anomaly regarding payroll taxes, regarding a self-employment tax. For example, in the base case a farmer that is renting somebody else's land will pay an SE tax on his net profit and the farmer owner from whom he rents the land won't pay that SE tax. But putting A and B together, an actively managed family farm owned by that family will be paying tax not only on the net profit of labor but also on the imputed land rent. So I would suggest that there would be a mechanism to take that into account

and to subtract or otherwise allow for the imputed land rent to be not taxed under the SE tax regime.

MODERATOR: We will accept more comments now for the Secretary regarding the next Farm Bill at either microphone.

Professor, go ahead.

MR. BOB HUFF: My name is Bob Huff. I'm from Scioto County, one of the distressed Appalachian counties on the Ohio River.

Agriculture is extremely important to all of us in the state of Ohio. I would like to address question five which is the Rural Development program.

To us in incorporated small communities throughout the state of Ohio, the Rural Development programs, infrastructure programs, lending programs, are the best economic development tool that we have. In our particular case we are an intermediary relending program partner with the Ohio Rural Development program. It is extremely important to us to be able to borrow funds from the USDA, relend it to our local businesses and industries to help them to invest and grow, retain jobs, and create new jobs for our young people and retain them in the state of Ohio. We hope, as you consider the new Farm Bill, that you can help to strengthen and increase the Rural Development program and in turn help all of us in rural communities.

Thank you, sir, for being here.

MODERATOR: Thank you. And invite anyone in the room to come to the microphones. Even if you didn't get a chance earlier to make new comments, or if you were able to come up earlier and didn't get all your comments in, in two minutes, you can certainly come back and have another two minutes to share.

Yes, sir.

MR. HOWARD DOSTER: Thank you. For various reasons state and federal legislators have cut funds for practical farm research, teaching, and extension. Farmers can specialize and buy and sell more from rapidly integrating multi-national firms, but these firms often bundle their perhaps biased management advice with their products and services. I say, farmers must have the management skills and the information to challenge the numbers of the firms they contract with. It's not a level playing field now.

The public sector, that is the land grant system, has the comparative advantage for providing this. Many colleges have chosen to broaden their field to non-farm kids even at the expense of losing their comparative advantage for serving the farm audience. With so many others de-emphasizing farming education some land grants can and should emphasize it. Who knows, you might even ask Congress to financially reward some land grants to serve farmers in all the states they touch or whatever.

But I came here to offer you a handout, not to just ask you for one. While I'm not speaking only for myself, I think many of my farmer friends and clients are now able and will be willing to appropriately pay land grants the variable costs for helping to discover, deliver, and use unbiased, unbundled management information. Some land grant faculty and staff still have the comparative advantage to discovery, deliver, and teach.

I will quickly propose two projects and a teaching learning method to present to farmers to test the hypothesis that many farmers are able and willing to pay land grants for the right to unbiased, unbundled, management information. I am personally familiar with the potential of



both these projects and I personally know land grant faculty who are still able and willing to make these into effective, efficient and enjoyable programs.

Site-specific grain farming and site-specific dairy grazing are the two. If a half dozen farmers who don't compete for land, but who do have similar soils use the same protocol to produce the same and different seed, fertilizer, chemical tillage recipes with the assistance of a land grant person who uses newly perfected statistics to analyze the data and report significant effects on yields and profits --

MODERATOR: Thank you, sir, we are going to go ahead and -- if you will, give us your name and town for the record.

MR. HOWARD DOSTER: Howard Doster, Waynesville, Ohio.

MODERATOR: Great. Thanks, Howard.

Comments from this side of the room.

MS. DEBORAH MARTIN: Good afternoon. Mr. Secretary, thank you for the opportunity to be here today and offer comments. My name is Deborah Martin and I'm from Freemont, Ohio. I represent the Rural Community Assistance Partnership and RCAP is a nationwide network that provides technical assistance to small communities. So my comments go to question number five.

Increasingly rural communities are burdened by infrastructure capital costs for water, wastewater and other infrastructure that is far beyond their ability to pay. The communities that we serve rely on Rural Development funding to upgrade their water and wastewater systems. And these systems are critical not only to helping meet environmental and public health goals, but they also provide the foundation for other economic in-community development. So, we look at these as very critical systems.

The Rural Development water and wastewater loan and grant program has been absolutely essential to helping thousands of communities, not just in Ohio, but across the country, in meeting these goals. So I would just urge you to continue the funding for Rural Development. And in addition, we've seen that in the last several years the trend has been for Congress to allocate far more loan money and much less grant money. And while we understand the competing needs and everything else, and we understand and actually support that the users of these systems pay their fair share. And I'm talking in communities that have populations under 500, it's very difficult for communities that small to achieve any kind of economy of scale that would allow them to keep those systems affordable. So we would urge you to consider increasing the grant funding and particularly targeting that to the communities with the greatest needs.

Thank you.

MODERATOR: Thank you. More comments.

MR. JOHN STEVENSON: Mr. Secretary, welcome to Ohio. I'm John Stevenson a farmer south of Columbus, also the past associate administrator of the Farm Service Agency from '89 to '93. During that time I had the displeasure, actually, of occasionally being the executive vice president of the Commodity Credit Corporation and making sure that food and water got into hurricane victims at Charleston and also after Andrew. So I commend you now. I know what the Agency can do getting in food and water. I think in the Charleston we had product in there in 12 hours. And I appreciate what you have done for the folks in New Orleans and that associated area.

Thank you very much.

MODERATOR: Thanks, John.

Any other comments from the floor now for the Secretary as they prepare for the Farm Bill in the next year or so?

Yes, sir.

MR. VALENTINE USEY [sp]: I'm Valentine Usey from Madison County, Plain City, Ohio. I didn't say that before. My background is that I spent quite a few years in the Orient as a missionary and in community development and also in Central and South America before leaving Ohio State Med School and coming back to the farm as such. Then since then though I didn't really buy a lot of the technology from Ohio State I did a lot of things and one of the county agents once told me, he said, "You're just three years ahead of us." I said, "No, I'm coming to you for information." But then they awarded us with awards later on like conservation farmer of the year for the state of Ohio and also nationally.

So, young folks, the field is wide open. Learn. Don't be afraid to be an apprentice. After all, 70 percent of all new revenue for any country comes from the cyclical harvest of the energy of the sun; 70 percent. It doesn't make any difference what country you are. So what we are trying to do in America now is take this 70 percent and distribute it through the whole society. And your job is an unthankful one, Mr. Secretary. In trying to do this and having special interest groups, they all want their share of the gravy train.

So I'm coming back to a thing again that, look, if we can do something to reinstate personal initiative, personal desire, personal ambition, I say, hey, you've got to put man back and manage. If you take man out of manage all I've got left is age and I've got too much of that already. So you young folks and for you Mr. Secretary, I would be willing and glad to work with you or try to help you in how do we kind of tweak this program away from the thing that we are going to be the granddaddy or helper of everybody, underwrite everything, and if things go wrong, the U.S. Government will bail us out. Where is your personal responsibility? How do you bail yourself out?

Now, our farm is a little farm of 200 acres, making a good living for two families. And some of you in here have been on the farm several times, you know what I'm talking about.

MODERATOR: Thank you, sir.

Any other comments before we ask the Secretary to share his thoughts? Any other comments on the Farm Bill? If you will make your way to one of the two microphones.

Yes, sir.

MR. JEFF WEBKER [sp]: My name is Jeff Webker, I'm a farmer from Dart County and a graduate of Ohio State. And hopefully I'm holding the future of our farm in my hands here today.

My comments, I don't have your questions. I read them briefly, and I don't know which one exactly I'll address. But my concern is with disaster payments. It seems like if a county or a state is declared a disaster, that everyone is engulfed in that same payment whether parts of an area or a county may not have had the disaster, they benefit from other people's detriment. And I guess, to me there already is a -- we have a safety net and that's called the crop insurance program and that's subsidized obviously very generously and I hope we continue that.

If there is a need for disaster payments, I wish they would be yield specific; the farmer would have to prove his yield that it was a disaster and not just a blanket for the county. Because one part of the county may have very good yields and take advantage of that. And I think with all the press that Hurricane Katrina and FEMA is getting with some money being spent in the wrong directions for people who may not need it, I think that's somewhat attunes to the same direction where sometimes some people get money that didn't necessarily need it.

That's my comments. Thank you.

MODERATOR: Thanks, Jeff.

Comments from this microphone.

MS. AMANDA HARDESTY: Yes, my name is Amanda Hardesty and I'm a student at the Ohio State University. In the last couple of hours I've been trying to think a little bit about how the Farm Bill relates to me personally.

I am from Brown County on the river in southern Ohio. But my father runs a welding shop, we basically, you break it, we fix it. Which is a whole other aspect of agriculture that we haven't discussed here today. My father and I have had lots of discussions about things like the steel trade, how that affects things like building and repairs. There's a lot of things that we do as far as housing, so those are some of the things I'm running through my mind.

But one of the things that sticks out the most is one of your questions that hasn't really been addressed this afternoon was number six. Which you kind of relate more to marketing and how you reach that technology point. But I wanted to take a moment to speak from a student perspective to talk about some of the things that I've been doing as an ambassador that we do at the college that could really make an impact on where this is going, make the Farm Bill relative to what we do. And I think one of the biggest problems that we run into with agriculture is the lack of knowledge.

I love the rural lifestyle. I very much cherish that and that's something that we've all talked a lot about this evening. But the thing is, the consumers are coming from the city. They're coming from the suburbs and from areas that aren't completely knowledgeable about what's going on. And as the ambassador team, as our Agricultural Educational Society with the Ohio Farm Bureau we are in a lot of educational programs that suffer sometimes from a lack of funding. We try to make our best efforts to get out to communities to reach out to elementary school students to make those type of efforts to educate future consumers about the market and about agriculture and where their food comes from. And I think that that should be a very important topic in the next Farm Bill or in the future as you start to consider what other things do we need to be worried about in agriculture. And education of consumers is really something that could use some attention.

Thank you.

MODERATOR: Thank you.

Mr. Schreiber [s p].

MR. MARK SCHREIBER [s p]: Very good, Andy, thank you, you remembered my name. Good afternoon, Secretary Johanns and Dr. Moser as well. Thanks for this opportunity.

I hope to provide a couple things that aren't doom and gloom and hopefully before I'm done it is fantastic and the future for agriculture is bright.

I'll address a couple of question, just hit on a couple items very quickly.

Number one talks about unintended consequences. Indeed, I can cite from 1990 to year 2000 in excess of \$100 billion was infused into the Ag economy primarily through commodity subsidations. That did keep a lot of farmers marginally profitable. But also many of those dollars were capitalized into land costs and rental rates. That's a great detriment to beginning farmers wanting to make inroads to start in our business. So it cuts on one side and helps on the other side.

But us all involved in leadership, Dr. Moser at the University at the Federal Government level leadership does not just mean trying to secure the most generous or lavish safety net that we can possibly acquire. Those needs need to be addressed in a balanced fashion. I believe the current Farm Bill has done a pretty effective job on that. And probably more importantly is that we need to spark and spur and nurse the imagination of producers, the entrepreneurial spirit, if you will.

USDA is in a great position to do that. I have had the chance to visit with Under Secretary Tom Dorr and he endorses many of these concepts and projects very well. We talk about how can farm and rural programs be helpful? Rural business opportunities have done a great deal of benefit to enhance the profitability and not just of individual producers, but the communities that surround them. The generation of what I call "wealth creation" has helped a great many of those communities go from being just almost impoverished rural communities to now being successful. Farm Futures magazine highlighted the 100 top counties across the U.S. In those 100 counties, most of those were located in those upper Midwest areas that have done a lot to help themselves.

So I think USDA can play a great role in helping (unclear) do that. And I know the red light is blinking, so you're about to get out the shepherd's crook.

[Laughter.]

MODERATOR: Thanks, Mark.

We may have some more time for you to give comments here later on.

More comments from the floor now. Yes, sir.

MR. JAY GRIFFITH: Yes. Good afternoon, Mr. Secretary and Dean Moser. My name is Jay Griffith. I'm a first-generation cash grain farmer and currently president of the Ohio Wheat Growers Association.

I will be addressing points three through five on your listing.

How corn, wheat and soybean producers have done fairly well through the current Farm Bill. Primarily due to market prices that have been greater than the loan rate.

I'm sorry. Okay.

Ohio farmers producers current payment structure and loan rates of the 2002 Farm Bill, future support of CRC insurance rates combined with current crop loan rates provide a necessary economic floor during times of depressed prices. Conservation environmental goals will be met if they're implemented with economic incentives that parallel both importance and the cost to the producer.

Mr. Secretary, you have at your disposal generations of accumulated research and development capacity in land grant institutions such as Ohio State University and state and federal producer governed commodity boards. With appropriate revenues (unclear) through these channels, setting loan rates could become a nonissue in the future. This local research will drive then local rural development as is appropriate, where it comes from.

In closing, there are currently three vacancies at the Soft Wheat Quality Lab in Wooster, Ohio. Soft red wheat growers in Ohio need these positions filled promptly. As this is the most pressing local issue here in Ohio, please contact myself or I believe Kay Simmons in the Belleville, Maryland --

[Tape break.]

[In progress.]

MR. MARK\_\_\_\_\_: -- research be directed to help. Agriculture has been long known to be a producer of food and fiber in the Us. Done that job very well. But today it's demonstrating its ability to be a strategic national assets in the production of energy, in the production of raw industrial products that can replace the need for reliance on petroleum-based products. Dr. Moser you are very much involved with Ohio bio initiative; is that correct? An excellent example of putting that sort of thinking into action.

Again, what I talked about earlier, the future is very bright. Ag can play a strategic important role in assuring us to achieve more energy independence, but also in the manufacturing of a variety of products that use biologically based materials as opposed to petroleum based. And that offers great promise and the opportunity for us not to just only be the producers of that, the growers of it, but also to have an ownership stake in those future businesses. That enhances all of our profitability and that's good for all of us involved.

Thank you much for your attention this afternoon.

MODERATOR: Thanks, Mark.

Other comments from the floor on the Farm Bill as we continue the listening session here? We will take a few more comments if you haven't had an opportunity yet before we ask the Secretary to share his thoughts on the Farm Bill.

Yes, sir.

MR. BILL DAVIS: Good afternoon, gentlemen. My name is Bill Davis and I'm from Washington Court House which is in Fayette County. And I'm with the Mutual Self-Help Housing Program in Fayette County, in conjunction with Community Action Commission.

Since 2002, we've helped over 150 low-income families in Fayette County realize the American dream of building and owning their own home. And in the process along with building their home they've also built their self-esteem and their pride and brought a lot of stability into their families. So on behalf of all those families, we would like to say thank you. And thank you for the access to the 502 loan programs and the 522 or 523 self-help housing development grants. And I guess that's it.

Oh, and also I guess in keeping with President Bush's spirit of his home ownership initiative, keep us in your thoughts and your budgets on future farm bills. Thanks.

MODERATOR: Thank you, sir. Any final comments from the floor for the Secretary and USDA as they consider the next Farm Bill?

Mr. Sharp.

MR. KYLE SHARP: I'll just do a quick one. I'm Kyle Sharp, I'm editor of a publication here in Ohio called "Ohio's Country Journal." And twice a month, basically, I visit farms and do a livestock feature on a livestock farm.

I've seen many of those farms who have benefited from the EQIP program, the conservation programs that are currently in existence. And I guess I'll just reiterate what several other people have said today. That continued support for programs like that, I think would be good down the road. Because I know a lot of those people wouldn't have been able to do some of the things that they have done if it wasn't for that cost share that's there. So, again, just reiterating that support and I've seen it myself many times over that the EQIP program is something that is working well and farmers are willing and able to take part in it and just continuing that would be a good thing.

MODERATOR: Thanks, Kyle.

With that, I think we've had some great comments this afternoon. I would invite Secretary Johanns to share some of his thoughts after touring the wide expanses of the corn belt and beyond and listening to folks talk about the Farm Bill.

SECRETARY JOHANNNS: How about a round of applause for the moderator? I thought he did a great job.

[Applause.]

SECRETARY JOHANNNS: You know, a couple of other comments, if I might. Director Dailey, thank you for being here right to the end. I think that is enormously impressive and thank you for making me -- am I now the director of agriculture here?

[Laughter.]

SECRETARY JOHANNNS: Did I miss something? Oh, honorary, okay. He said to me as he was handing it to me, now don't go pounding any herds around here, or something.

And Dean Moser, gosh, this -- ladies and gentlemen I've done 15 of these, the Department has done, I think, over 20, this is the only time we have had a dean, not only present, but he stayed to the very end. And I think that speaks volumes about his commitment to you and to agriculture.

[Applause.]

SECRETARY JOHANNNS: And I also want to acknowledge these folks in the blue jackets that are here. There was a time in my life where I had one of those jackets. And so wherever I see the FFA it's encouraging to me because you do represent our future. And those involved in 4-H too, and the other great programs for young people relative to agriculture. So thanks a lot for being here.

And these are ambassadors, in the red shirts, as I understand it, from Ohio State University. And I'm guessing ambassadors put the best foot forward, right, for the university system. And you guys did a great job of it. So we are real proud of you. You bet.



Well, a couple of things. I promised you I would kind of take a note or two here and I did. But I also identified some things that I wanted to visit with you about quickly and then I'll send you out so you can enjoy the rest of the day.

The first thing I wanted to mention is that we do get a lot of discussion at these forums relative to trade issues. And any time you bring up trade these days you're bound to encourage a lot of discussion. But I'll share some things with you about trade that I think are important to keep in mind.

The president has said on a number of occasions that it's not just about free trade, it is also about fair trade. It's about that leveling of the playing field that we talk about so much and that you hear people talk about. And therein lies the key. I heard people from Farm Bureau get up and it's consistent with what I've heard from other state Farm Bureau organizations. Hey, our goal is to be independent. Our preference would be to move toward a direction of being independent from government programs and sell our products in the marketplace. I share that goal. The reality is today that there are many parts of the world, however, where tariffs are so high that the playing field isn't level. And when you pay that additional tariff for your products, the difficulty that you run into is you've just priced yourself out of the marketplace in that country. That's what the WTO process is about is trying to get reform in agriculture on a worldwide basis to level that playing field.

If you think about trade, 27 percent of the gross receipts from agriculture come from the foreign marketplace. So it's a significant piece of agriculture, 27 percent. In given commodities it is even more. For example, in a state like Ohio, if you did not have the foreign marketplace it would be a very bad deal. It would be devastating to agriculture here. Because you need to ship that corn, those soybeans into the foreign market.

If you ever had any question about the significance of trade you should look at the impact of backing up transportation in the Mississippi through the New Orleans port for a couple of weeks here and see how that has rippled across very, very quickly into the interior of the country. Compare the prices of commodities before Katrina and after. Compare the prices of fuel and diesel fuel before and after, and, again, you begin to understand that those who are advocating for a more closed position relative to trade are risking America's farmers and ranches in my personal opinion. So trade issues are important, but, again, we are devoting a tremendous amount of time to this WTO process because we believe that trade needs to be reformed on a worldwide basis.

We have relatively low tariffs in this country. We are a pretty open marketplace. By comparison, in Europe they have very high tariffs. And you can see our sales into the European Union countries are going in the wrong direction. We want to encourage trade and competition.

Many people spoke to the issue of renewable fuels. I'll put it in that classification. Oftentimes in corn country we hear about ethanol. And I come from a state where we really, really promoted ethanol. We passed some state legislation to encourage ethanol development.

Twenty-five years ago I was a young lawyer, I had just gotten out of law school, and a client came to me and talked about ethanol. And I said, "What the heck is that?" And he said, "Well, you actually produce it from corn." And I said, "Well, what do you do with it then?" And he said, "Well, you burn it into fuel." And I said, "Well, that's a great idea. Is there much of that being done today?" And he said, "No, not really." He said, "We are going to be pioneering in this effort." Fast forward 25 years, 12 percent of the United States corn crop is now produced into ethanol. And I got very involved in ethanol when I was a governor, and I also chaired the Governors Ethanol Coalition.

But I will also tell you that the Energy Bill that was passed, and we applaud Congress for passing it, we needed that bill a lot of years ago, but it did get passed, so let me just leave it there. We are happy it's in place now. But it raised the renewable fuel standard. You thought I was going to say something really critical, didn't you? And then I would have trouble when I went back to Washington tomorrow. No, I'm going to be careful. We applaud them for passing that bill.

But they raised the renewable fuel standard to 7.5 billion gallons in a pretty quick period of time here. We are now producing about four billion gallons, so you can see the impact on states like Ohio. And, again, it's alternative fuels. It's not just ethanol, it's biomass, it's biodiesel. Believe me, I've always believed here that this was a great opportunity. I think with this energy bill we've got some really exciting opportunities in this area.

Diversifying the use of our Ag products, some call it value-added agriculture, whatever title you put on it, but making that product more available for consumer use, who would have thought that 12 percent of our corn crop would be so widely used that you could drive to any gas station in America, practically any gas station, pull up to the pump and fill your car's gas tank with a 90/10 blend of ethanol. That's rather remarkable, if you think about it.

So I know you are working on that here. I would encourage that and applaud you for your efforts.

This forum was consistent with what we've heard at every forum. To our Rural Development partners out there, thank you so very much for being such great advocates. The Rural Development programs have been unanimous in terms of support. Whether it is the new ambulance -- and we announced some Rural Development grants here in Ohio today -- or whether it's utilities or wastewater or water treatment or whatever it is, they are making a difference in rural America, and we could not be more excited about that. So far we haven't had anybody be critical of the Rural Development programs.

Conservation, a lot of support for conservation. Conservation was grown in the last Farm Bill, as you know, and it just gets a lot of good support pretty well around the country. Did hear a little bit of discussion in North Dakota that our conservation programs sometimes compete with the cow/calf people who are looking for range land to graze cattle on. And so you would hear some of that out there, but that's not been a lot of discussion. By and away, far and away, 95 percent of the discussion on conservation has been very positive.

The last thing I wanted to just visit with you quickly about, the most interesting piece of the Farm Bill Forums so far. We talked a lot at the USDA about what kinds of things do we want to encourage discussion on. And as you can see, we really have an open mike. But we put these six questions out and one question that gets to the issue, is there a fair distribution of farm program benefits? And I think we knew that was going to encourage a lot of discussion. And believe me, this Farm Bill Forum is pretty indicative. Has it ever encouraged a lot of discussion.

I was back at Husker Harvest Days just a few days ago in Nebraska, last Thursday, and I wasn't inside Husker Harvest Days more than five minutes when a farmer came up to me and said, "Mike, you need to get payment limits. We can't understand why you haven't gotten payment limits done yet." Well, I've only been there nine months. Now, I will tell you, I've heard significant support for payment limit throughout the Midwest. But I said to him, I said, "You need to come south with me. Because there isn't very much support for payment limitations in the south, just a different kind of agriculture and a different approach."

I'll offer a couple of statistics that you can ruminate on here if you would. And I don't have them in front of me, so I'm drawing them from memory and I may actually have them

reversed. So, give me that leeway. I think these numbers are on the web site for the USDA, however.

If I remember correctly, two-thirds of U.S. agricultural production is not subsidized. And three-fourths of U.S. farmers are not subsidized under the farm program. Now, give me the leeway of telling you I'm pulling that from memory and I may have actually reversed that. But reverse it or not, we're pretty close there. And the point is that the vast majority of American agriculture is not subsidized. It is the fruits and vegetable person that gets up here, they're not a program crop. They don't have a safety net, they don't have a floor, they don't have a subsidy. They certainly encourage research, and they certainly encourage a lot of other things that they believe are very helpful to their program. But pretty much, they're in the free market. They are operating in a very free market sort of orientation. But that's true, again, for the majority of crops, the majority of production, the majority of farmers in the United States.

So I guess maybe it's obvious that when you ask a question, is the distribution of the benefits strike you as fair, you're going to get a pretty significant debate upon that depending upon what part of the country you are in.

When we did one of these in California, where they have a lot of fruits and vegetable production, we heard about that. Just yesterday I had a farmer from California ask me this question. He said, "You come from the Midwest." I said, "Yes, I do. I grew up in the Midwest, I was the governor of a Midwest state." He said, "Explain to me, Mr. Secretary, how it is fair to have programs for corn and soybeans, but not for what we raise in California." And I thought that was a very, very interesting observation. I don't know what the answer to that is quite honestly because I'm not even sure that the majority of people in that situation are advocating to be program crops. But it is an interesting issue. It is a little bit like what this gentleman is raising in terms of where do we go from here in terms of Ag policy.

And then the last thing that has been very interesting, and you heard it today, many people getting up and saying, you know, pay very close attention here, because we think what we are seeing is the capitalization of these dollars into land prices and to cash rent. If in fact that is the case, these folks are going to have a very difficult time entering into agriculture, a very, very difficult time.

Now, I haven't verified this, but in the area where I grew up somebody told me recently that a piece of land sold for \$8,000 an acre. And that isn't based upon development potential, that I'm aware of anyway. That, again, is just a very interesting thing to contemplate, but we've heard it in just about every Farm Bill Forum that we have done.

Last thought, these are all the reasons we do the Farm Bill Forums. Some people said to me, you know, Mike, why are you doing this? You're going to go out and you're just going to hear from people and they're going to say, well, do some more, do much more of what you're doing. It's been a very different discussion than that. Good support for conservation, Rural Development, a lot of discussion about subsidy programs, a lot of discussion about how we lay the platform for these young people. They have been a great opportunity for all of us at the USDA to get a notion of what's on your mind. And I could not be more appreciative for that. So, those are just general observations. No conclusions. We've got a lot of forums yet to do.

Thank you for participating, stay in touch with us on the USDA web site or write us a letter. Let us know what's on your mind as this continues to roll out.

Thank you, God bless you.

[Applause.]

[Whereupon, the Ohio Farm Bill Forum was concluded.]